BEFORE THE BOARD OF OIL, GAS AND MINING DEPARTMENT OF NATURAL RESOURCES STATE OF UTAH

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF BILL BARRETT CORPORATION FOR AN ORDER POOLING INTERESTS, ALL INCLUDING THE COMPULSORY **POOLING** OF THE INTERESTS OF ABH BAXTER LP, BAXSTO LLC, BLAIRBAX ENERGY LLC, BUFFY ENERGY LLC, ASHLEY BAXTER STOUT, ABBIE BLAIR BAXTER, KELLY HOLLIS BAXTER, AND ANY OTHER PARTY CLAIMING AN INTEREST BY, THROUGH, OR UNDER THE ESTATE OF KELLY H. BAXTER, DECEASED, AND ANY PARTY CLAIMING AN INTEREST BY, THROUGH, OR UNDER THE ESTATE OF CHARLES A. JACOBS, DECEASED, IN THE DRILLING **UNIT ESTABLISHED** FOR THE **PRODUCTION** OF OIL, **GAS** AND ASSOCIATED HYDROCARBONS FROM THE LOWER GREEN RIVER-WASATCH FORMATIONS, COMPRISED OF SECTION 11, TOWNSHIP 4 SOUTH, RANGE 7 WEST, USM, DUCHESNE COUNTY, UTAH

NOTICE OF HEARING

Docket No. 2015-003 Cause No. 139-128

THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE FOLLOWING MATTER.

Notice is hereby given that the Board of Oil, Gas and Mining ("Board"), State of Utah, will conduct a hearing on WEDNESDAY, JANUARY 28, 2015, at 9:00 AM, or as soon thereafter as possible, in the auditorium of the Department of Natural Resources, 1594 West North Temple, Salt Lake City, Utah.

The hearing will be conducted as a formal administrative adjudication in accordance with the rules of the Board as set forth in Utah Administrative Code R641 et seq., and as provided for in Utah Code Ann. § 40-6-1 et seq., and Utah Code Ann. § 63G-4-101 through 601.

The purpose of the hearing will be for the Board to receive testimony and evidence regarding a Request for Agency Action that the Board enter an Order:

1. Pooling all interests, including the compulsory pooling of the interests of ABH Baxter LP ("ABH Baxter"), Baxsto LLC ("Baxsto"), BlairBax Energy LLC ("BlairBax"), Buffy Energy LLC ("Buffy"), Ashley Baxter Stout, Abbie Blair Baxter, Kelly Hollis Baxter, and any other party claiming an interest by, through or under the Estate of Kelly H. Baxter, deceased, and any party claiming an interest by, through or under the Estate of Charles A. Jacobs, deceased (collectively hereinafter the "FP Parties"), in the drilling unit established by the Board in its Order entered on September 20, 1972 in Cause No. 139-8, as modified by the Orders entered on December 21, 2008 in Cause No. 139-84, on March 11, 2010 in Cause No. 139-85, and on November 6, 2014 in Cause No. 139-124 (collectively hereinafter the "Applicable Orders"), for the production of oil, gas and associated hydrocarbons from the Lower Green River-Wasatch formations, defined as:

[T]he interval from the top of the Lower-Green River formation (TGR3 marker) to the base of the Green River-Wasatch formations (top of the Cretaceous), which base is defined as the stratigraphic equivalent of the Dual Induction Log depths of 16,720 feet in the Shell-Ute 1-18B5 well located in the S½NE¼ of Section 18, Township 2 South, Range 5 West, U.S.M., and 16,970 feet in the Shell-Brotherson 1-11B4 well located in the S½NE¼ of Section 11, Township 2 South, Range 4 West, U.S.M.,

(the "Subject Formations"), comprised of the entirety of Section 11, Township 4 South, Range 7 West, U.S.M., Duchesne County, Utah (the "Drilling Unit"), retroactively effective as of September 26, 2014, being the date of first production of the 11-11D-47 BTR Well, located in the SE½SW½ of Section 11, Township 4 South, Range 7 West, U.S.M. in Duchesne County, Utah, (hereinafter the "Subject Well");

- 2. Declaring the FP Parties as "non-consenting owners" as that term is defined in Utah Code Ann. § 40-6-2(11) and as owners "deemed to have refused to agree to bear [their] proportionate share of costs" in accordance with Utah Admin. Code Rule R649-2-9(1) as relating to the Subject Well;
- 3. Declaring BBC, as Operator on behalf of itself, Crescent Point, and Mitchell, as a "consenting owner" as that term is defined in Utah Code Ann. § 40-6-2(4) as relating to the Subject Well;
- 4. Providing for the recovery by BBC, in such capacity, from the FP Parties' respective shares of production of the costs set forth in Utah Code Ann. § 40-6-6.5(4) as relating to the

Subject Well, including a non-consent penalty of 400% pursuant to Utah Code Ann. § 40-6-6.5(4)(d)(i)(D) and estimated plugging and abandonment costs of \$75,000 for the Subject Well;

- 5. Providing for the payment of a 16.706924% proportionately reduced royalty to the FP Parties, during the cost recovery period as provided in Utah Code Ann. §§ 40-6-6.5(6) and (8);
- 6. Adopting the terms of the JOA attached as Exhibit "1" to the Request for Agency Action filed in the above captioned Cause, to govern operations on the Drilling Unit between BBC and the FP Parties, to the extent not inconsistent with the foregoing, as provided in Utah Code Ann. § 40-6-6.5(2)(c);
- 7. Generally including all such other terms and conditions as required under Utah Code Ann. \S 40-6-6.5; and
- 8. Providing for such other and further relief as may be just and equitable under the circumstances.

Objections to the Request for Agency Action must be filed with the Secretary of the Board at the address listed below no later than the 12th day of January, 2015. A party must file a timely written objection or other response in order to participate as a party at the Board hearing. Failure to participate can result in a default judgment.

Natural persons may appear and represent themselves before the Board. All other representation of parties before the Board will be by attorneys licensed to practice law in the State of Utah, or attorneys licensed to practice law in another jurisdiction which meet the rules of the Utah State Bar for practicing law before the Utah Courts.

Persons interested in this matter may participate pursuant to the procedural rules of the Board. The Request for Agency Action, and any subsequent pleadings, may be inspected at the office of the undersigned, and inspected online at the Utah Board of Oil, Gas and Mining's website at http://ogm.utah.gov/amr/boardtemp/redesign/books.html.

Pursuant to the Americans with Disabilities Act, persons requiring auxiliary communicative aids and services to enable them to participate in this hearing should call Julie Ann Carter at (801) 538-5277, at least three working days prior to the hearing date.

DATED this 30th day of December, 2014.

STATE OF UTAH BOARD OF OIL, GAS AND MINING Ruland J. Gill, Jr., Chairman

/s/ Julie Ann Carter

Board Secretary

1594 West North Temple, Suite 1210

Salt Lake City, Utah 84116

(801) 538-5277

CERTIFICATE OF PUBLISHED NOTICE

I hereby certify that I caused a true and correct copy of the foregoing NOTICE OF HEARING for Docket No. 2015-003 Cause No. 139-128 to be PUBLISHED in the following newspapers on the following days:

January 4, 2015:

<u>The Salt Lake Tribune</u> and <u>Deseret Morning News</u>, newspapers of general circulation in Salt Lake City and County.

January 6, 2015:

<u>Uintah Basin Standard</u>, a newspaper of general circulation in Duchesne and Uintah Counties.

Julie Am Carter

CERTIFICATE OF SERVICE

I hereby certify that on this 30th day of December, 2014, I caused a true and correct copy of the foregoing **NOTICE OF HEARING** for Docket No. 2015-003, Cause No. 139-128, to be mailed with postage prepaid, via E-mail or First Class Mail, to the following:

MacDonald & Miller Mineral Legal Services, PLLC Frederick M. MacDonald, Esq J. Brent Allen, Esq. 7090 S. Union Park Avenue, Suite 400 Midvale, UT 84047

David Watts, Land Manager Bill Barrett Corporation 1099 18th Street, Suite 2300 Denver, CO 80202

Attorneys for Petitioner Bill Barrett Corporation

Michael S. Johnson Assistant Attorney General Utah Board of Oil, Gas & Mining 1594 W North Temple, Suite 300 Salt Lake City, UT 84116 [Via Email]

Tina M. Voight 6114 La Salle Ave., #351 Oakland, CA 94611-2802

Gaye E. Gouk 14703 SE 145th Place Renton, WA 98059 Steven F. Alder Assistant Attorneys General Utah Division of Oil, Gas & Mining 1594 W North Temple, Suite 300 Salt Lake City, UT 84116 [Via Email]

DeAnna S. Dotson, Trustee of the DeAnna S. Dotson 2010 Trust 33121 Ocean Rdg Dana Point, CA 92629-1085 [Address updated 12/29/2015]

John Jesse 6368 West 10220 North Highland, UT 84003 Mona Leff McInelly, individually and as Heir of Harry Leff and Esther A. Leff, Both Deceased 69525 Dillon Road SPC 75 Dsrt Hot Spgs, CA 92241-9343 [Address updated 12/24/2014]

Mary Jesse 19301 SE 16th Street Sammamish, WA 98075

Sandra Figueroa 3452 Machado Ave. Santa Clara, CA 95051-1939

Joseph L. Reimann 2178 Whitmore Way Salt Lake City, UT 84121

Corporation of The Presiding Bishop of The Church of Jesus Christ of Latter-Day Saints 50 E. North Temple Street, 12th Floor Salt Lake City, UT 84150

Louise Reimann Erekson 4361 Silas Hutchinson Dr. Chantilly, VA 22021

Estate Of Eileen S. Tarcay C/O Kim M. Barr 465 E. Penney Ave. Salt Lake City, UT 84115 Marika Leff, as Attorney in Fact for the Estate of Harry Leff, Jr., an Incapacitated Person, an Heir of Harry Leff and Esther A. Leff, Both Deceased P.O. Box 238
Novato, CA 94948

Rose Herrera 3051 Marston Way San Jose, CA 95148

David B. Reimann 7341 South Giachery Ave. Tucson, AZ 85741

Paul Eldren Reimann 1014 East Center St. Bountiful, UT 84010

Yvonne Reimann Jacobs 3328 Westbrook Drive Taylorsville, UT 84129

Howard Schultz 2190 Nightingale Ave. Santa Rosa, CA 95403

Cameron S. Coltrain 882 Belfast Dr. Dayton, OH 45440 James Grant Stringham, Administrator of the Grant Stringham Trust 2560 Lynnwood Drive Salt Lake City, UT 84094

Molly Cameron 60 Georgetown Drive Columbus, Oh 43214

Gene Schultz Byrge P.O. Box 55 Alpha, MI 49902

Haigen Pearson, Trustee under the Haigen Pearson Revocable Trust dated 5-8-2009 317 No. Broad Street, #416 Philadelphia, PA 19107

Randon P. Beckstead and Cindy L. Beckstead, Trustees under the Randon and Cindy Beckstead Trust dated 4-9-2002 1892 East Summer Meadow Sandy, UT 84093

Reimann Properties No. 1, LLC Joseph L. Reimann, Manager 2178 Whitmore Way Salt Lake City, UT 84121

Gregory W. Beckstead and Cynthia J. Beckstead, Trustees Under the Gregory and Cynthia Beckstead Trust dated 11-21-2008 7519 Greens Mill Drive Loganville, GA 30052

Mac Pearson, Trustee under the Mac Pearson Revocable Trust dated 5-18-2009 874 West Steeple Chase Dr. Kaysville, UT 84037

Baxsto LLC Attn: Ashley Stout P.O. Box 302857 Austin, TX 78703

Abh Baxter LP P.O. Box 1649 Austin, TX 78767

Buffy Energy LLC Attn: Janet Kay Baxter P.O. Box 1649 Austin, TX 78767

Blairbax Energy Attn: Abbie Blair Baxter 815-A Brazos St., #491 Austin, TX 78701

Abbie Blair Baxter C/O Blairbax Energy 815-A Brazos St., #491 Austin, TX 78701

Ashley Baxter Stout C/O Baxsto LLC P.O. Box 302857 Austin, TX 78703 Crescent Point Energy U.S. Corp. Attn: Ryan Waller 555 17th St., Suite 750 Denver, CO 80202

Ute Tribe of Uintah and Ouray Indian Reservation Energy & Minerals Dept. P.O. Box 70 Ft. Duchesne, UT 84026

United States Bureau Of Land Management Utah State Office Attn: Roger L. Bankert 440 West 200 South, Ste. 500 Salt Lake City, UT 84101

Ute Distribution Corporation P.O. Box 696 Roosevelt, UT 84066

Mitchell Minerals, LLC P.O. Box 488 Henryetta, OK 74437

Kelly Hollis Baxter C/O Janet Kay Baxter, as Agent and Attorney-In-Fact P.O. Box 1649 Austin, TX 78767

BIA Uintah And Ouray Agency For Ute Indian Tribe P.O. Box 130 Fort Duchesne, UT 84026

United States Bureau of Land Management Vernal Field Office Attn: Jerry Kenczka 170 South 500 East Vernal, UT 84078

Julie Am Carter